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**STATE OF HAWAII  
DEPARTMENT OF ACCOUNTING  
AND GENERAL SERVICES**

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JUL 11 2000

**COMPTROLLER'S MEMORANDUM NO. 2000-16**

**TO:** All Department Heads

**ATTN:** Fiscal Officers and Personnel Officers

**SUBJECT:** Adjustments for Social Security and Medicare Taxes Withholding for Those Employees with Flexible Spending Account (FSA)

We regret to inform you that the July 5, 2000 Social Security and Medicare taxes withheld for employees who participate in the Flexible Spending Account program were incorrectly computed. The excess taxes withheld was due to the computation of taxable wages that had not been adjusted for the FSA deduction amounts.

We are currently in the process of computing the correct Social Security and Medicare tax withholdings that should have been deducted and will be processing the adjustments in the July 20, 2000 paychecks. We would appreciate your assistance in disseminating the information contained in this memorandum to your affected staff.

If you or your staff have any further questions, please call Sheila Walters of our Pre-Audit Branch at 586-0650.

  
RAYMOND H. SATO  
State Comptroller